
Northland Regional Council

Supplementary Item

Council Meeting

**Tuesday, 21 June 2016
at 1.00pm**

**ISSUE: Supplementary Item for Council Meeting –
21 June 2016****ID:** A852565**To:** Council Meeting, 21 June 2016**From:** Chris Taylor, Governance Support Manager**Date:** 17 June 2016

Report Type:	<input type="checkbox"/> Normal operations	<input type="checkbox"/> Information	<input checked="" type="checkbox"/> Decision
Purpose:	<input type="checkbox"/> Infrastructure	<input type="checkbox"/> Public service	<input type="checkbox"/> Regulatory function
	<input checked="" type="checkbox"/> Legislative function	<input type="checkbox"/> Annual\Long Term Plan	<input type="checkbox"/> Other
Significance:	<input type="checkbox"/> Triggered	<input checked="" type="checkbox"/> Not Triggered	

Executive Summary:

A “placeholder” item was included in the council agenda for:

- Supplementary item 7.3: Rates for the Year 1 July 2016 to 30 June 2017.

to indicate that the supplementary item was unable to be completed in time for the circulation of the council agenda due to outstanding legal reviews.

Simpson Grierson has now formally completed a full review of item 7.3 ensuring it complies with all legislative requirements and is fit for purpose.

The only component of the original item circulated that has changed as a result of the Simpson Grierson review is the Kaipara District penalty dates presented in recommendation 3.

There are no changes to any of the rates as originally presented.

Thus it is recommended that the supplementary agenda item 7.3A be received and supersede supplementary agenda item 7.3.

Recommendations:

That as permitted under section 46A(7) of the Local Government Official Information and Meetings Act 1987:

Supplementary Item 7.3A: Rates for the Year 1 July 2016 to 30 June 2017

be received (and supersedes Supplementary Item 7.3).

ISSUE: Rates for the Year 1 July 2016 to 30 June 2017

ID: A852549

To: Council Meeting, 21 June 2016

From: Simon Crabb, Finance Manager

Date: 17 June 2016

Report Type:	<input type="checkbox"/> Normal operations	<input type="checkbox"/> Information	<input checked="" type="checkbox"/> Decision
Purpose:	<input type="checkbox"/> Infrastructure	<input type="checkbox"/> Public service	<input type="checkbox"/> Regulatory function
	<input type="checkbox"/> Legislative function	<input checked="" type="checkbox"/> Annual\Long Term Plan	<input type="checkbox"/> Other
Significance:	<input type="checkbox"/> High	<input checked="" type="checkbox"/> Moderate	<input type="checkbox"/> Low

Executive summary:

This paper has been prepared in accordance with the revenue and financing policy contained within the 2015–2025 Long Term Plan and funding impact statement contained within the 2016-2017 Annual Plan. It recommends that the council set the rates, due dates and penalties set out below for the 2016-2017 year in accordance with the Local Government (Rating) Act 2002.

The background to this report is included as **Attachment 1**.

Legal compliance and significance assessment:

The council’s 2016-2017 Annual Plan has been developed in accordance with sections 95 and 95A of the Local Government Act 2002 and council’s significance and engagement policy, and contains the funding impact statement for the 2016-2017 year. The setting of rates is an administrative decision that does not itself trigger the significance and engagement policy. The decisions in this report are in accordance with sections 76 to 82 of the Local Government Act 2002 and the Local Government (Rating) Act 2002.

Recommendations:

1. That the report ‘Rates for the Year 1 July 2016 to 30 June 2017 by Simon Crabb, Finance Manager, and dated 17 June 2016, be received.
2. That the Northland Regional Council resolves to set the following rates under the Local Government (Rating) Act 2002 for the financial year commencing 1 July 2016 and ending 30 June 2017.

a) Targeted Council Services Rate

A targeted rate as authorised by the Local Government (Rating) Act 2002. The rate is calculated on the total projected capital value, as determined by the certificate of projected valuation, of each constituent district in the Northland region. An additional \$1.73 (including GST) per separately used or inhabited part (SUIP) of a rating unit is to be assessed across the Whāngārei constituency to provide funding for the ongoing maintenance of the Hātea River Channel.

The rate is a targeted rate, differentiated by location in the Northland region, and assessed as a fixed amount per separately used or inhabited part (SUIP) of a rating unit in the Far North and Whāngārei Districts and on each rating unit (RU) in the Kaipara District. The rate is set as follows:

	<u>Including GST</u>
Far North District	\$89.47 per SUIP
Kaipara District	\$126.06 per RU
Whāngārei District	\$108.62 per SUIP

The Whāngārei District Targeted Council Services Rate amount of \$108.62 (including GST) per SUIP **includes** the Hātea River Channel amount of \$1.73 (including GST) per SUIP.

b) Targeted Land Management Rate

A targeted rate as authorised by the Local Government (Rating) Act 2002. The rate is assessed on the land value of each rateable rating unit in the region. The rate is set per dollar of land value. The rate per dollar of land value is different for each constituent district, as the rate is allocated on the basis of projected land value, as provided for in section 131 of the Local Government (Rating) Act. The rate is set as follows:

	<u>Including GST</u>
Far North District	\$0.0003875 per dollar of land value
Kaipara District	\$0.0003988 per dollar of land value
Whāngārei District	\$0.0003761 per dollar of land value

c) Targeted Regional Recreational Facilities Rate

A targeted rate as authorised by the Local Government (Rating) Act 2002. The rate is a fixed amount, differentiated by location in the Northland region. The rate will be assessed on each rating unit (RU) in the Kaipara District and each separately used or inhabited part of a rating unit (SUIP) in the Far North and Whāngārei Districts. The rate is set as follows:

	<u>Including GST</u>
Far North District	\$5.75 per SUIP
Kaipara District	\$5.75 per RU
Whāngārei District	\$28.75 per SUIP

d) Targeted Regional Infrastructure Rate

A targeted rate as authorised by the Local Government (Rating) Act 2002. This rate is assessed on the land value of each rateable rating unit in the region. The rate is set per dollar of land value. The rate per dollar of land value is different for each constituent district, as the rate is allocated on the basis of projected land value, as provided for in section 131 of the Local Government (Rating) Act 2002. The rate is set as follows:

	<u>Including GST</u>
Far North District	\$0.00003600 per dollar of land value
Kaipara District	\$0.00003711 per dollar of land value
Whāngārei District	\$0.00003494 per dollar of land value

e) Targeted Emergency Services Rate

A targeted Emergency Services rate as authorised by the Local Government (Rating) Act 2002. The rate is a fixed amount assessed on each separately used or inhabited part (SUIP) of a rating unit in the Far North and Whāngārei

Districts and each rating unit (RU) in the Kaipara District. The rate is set as follows:

	<u>Including GST</u>
Far North District	\$11.76 per SUIP
Kaipara District	\$11.76 per RU
Whāngārei District	\$11.76 per SUIP

f) Targeted Whāngārei Heads Pest Management Rate

A targeted rate as authorised by the Local Government (Rating) Act 2002. The rate is a fixed amount assessed on each separately used or inhabited part of a rating unit located in and around the Whāngārei Heads area. These rating units are defined in the map below:



The rate is set as follows:

	<u>Including GST</u>
Whāngārei District (identified Whangarei Heads area)	\$50.00 per SUIP

g) Targeted Whāngārei Transport Rate

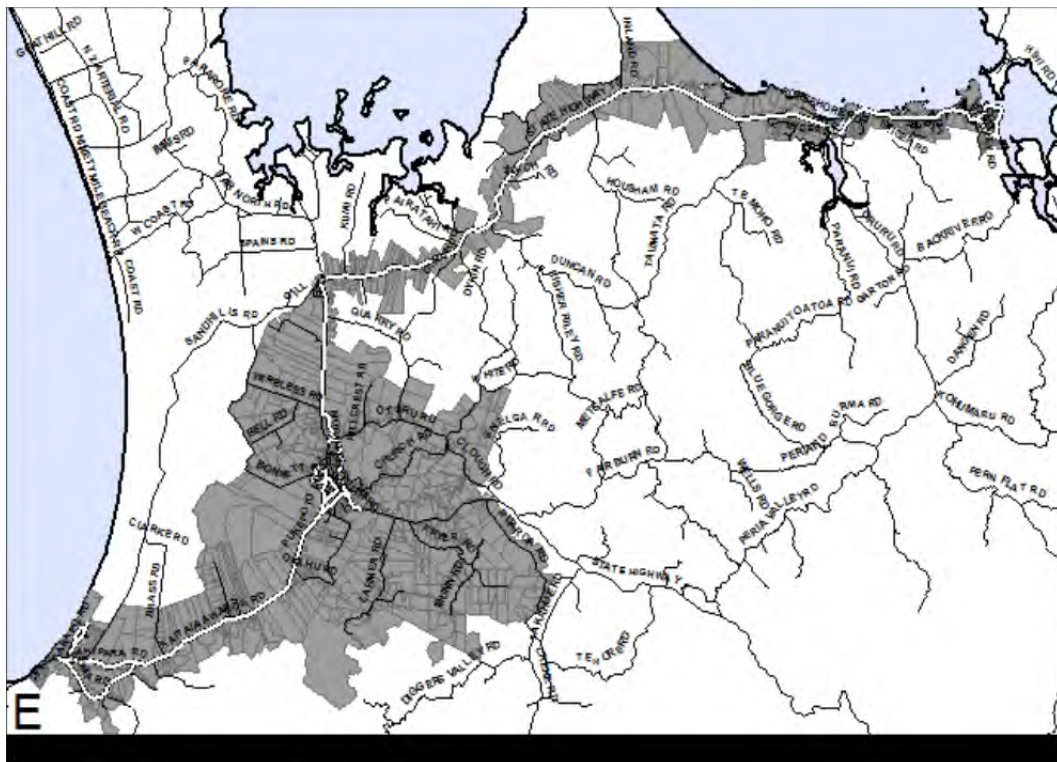
A targeted rate as authorised by the Local Government (Rating) Act 2002. The rate is a fixed amount assessed on each separately used or inhabited part of a rating unit in the Whāngārei District. The rate is set as follows:

Whāngārei District

Including GST
\$13.22 per SUIP

h) Targeted Kaitāia Transport Rate

A targeted rate as authorised by the Local Government (Rating) Act 2002. The rate is a fixed amount assessed on each separately used or inhabited part of a rating unit located near the Kaitāia bus route. These rating units are defined in the map below:



The rate is set as follows:

Far North District (Kaitāia only)

Including GST
\$15.69 per SUIP

i) Targeted Mid-North Transport Rate

A targeted rate set under the Local Government (Rating) Act 2002. The rate is a fixed amount assessed on each separately used or inhabited part of a rating unit located near the Mid-north bus route (as defined in the map below) and is differentiated by category (as defined in the table below):

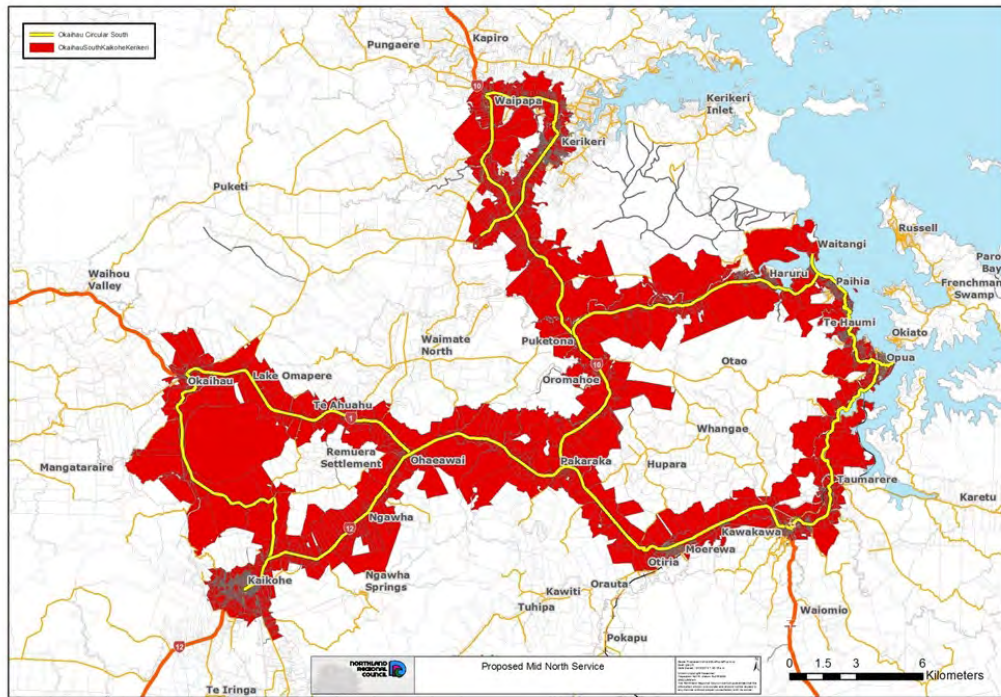
The rate is set as follows:

SUIPS on or near Mid North Bus route – Commercial differential
(as defined on the map and table below) \$48.63 per SUIP

SUIPS on or near Mid North Bus route – Non Commercial differential
(as defined on the map and table below) \$24.31 per SUIP

Including GST

Rating units for the Targeted Mid-North Transport Rate:



Differential categories for the Targeted Mid-North Transport Rate:

Differential	Basis	Description	Land use codes
Non Commercial	100%	SUIPs have a non-commercial use based on their actual use as defined by their land use code. (Note: in certain circumstances land with a commercial land use may be treated as non commercial if the ratepayer demonstrates to council's satisfaction that the actual use is not commercial.)	0, 1, 2, 9, 10 to 17, 19 to 29, 90, 91, 92 & 97-99 (93 - 96 may also be treated as non commercial if the actual use of the land is not commercial)
Commercial	200%	SUIPs which have some form of commercial or industrial use or are used primarily for commercial purposes as defined by their land use codes. (Note: in certain circumstances land with a non commercial land code use may be treated as commercial if the actual use of the entire rating unit is commercial in nature.)	3, 4, 5, 6, 7, 8, 18, 30 to 89, 93, 94, 95, & 96
Mixed Use		Mixed use may apply where different uses take place on the rating unit and where each use would be subject to a different differential. In these circumstances council may decide to apply different categories to the SUIPs of a rating unit.	

Council retains the right to apply a different differential where it can be demonstrated, to its satisfaction, that the actual use of the entire rating unit differs from that described by the current land use code.

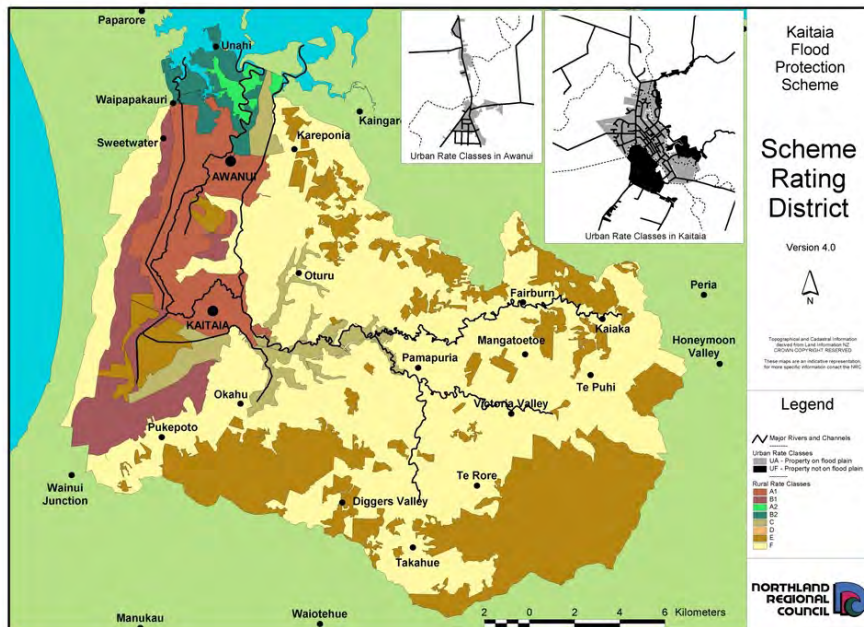
j) Targeted Awanui River Management Rate

A targeted rate set under the Local Government (Rating) Act 2002, set differentially by location and area of benefit as defined in the Awanui River Flood Management Plan, and as defined in the map and table below:

The rate is set differentially as follows:

	<u>Including GST</u>
Urban rate class UA (floodplain location) \$179.75 direct benefit plus \$17.97 indirect benefit, total per separately used or inhabited part of a rating unit:	\$197.72
Urban rate classes UF (higher ground) \$17.88 direct benefit plus \$17.87 indirect benefit, total per separately used or inhabited part of a rating unit:	\$35.75
Commercial differential factor applicable to urban rate classes UA and UF, and the rural hectare rate classes A1/A2, B1/B2, C, E, and F:	3.0
Rural rate differentiated by class, \$10.84 per separately used or inhabited part of a rating unit of indirect benefit plus a rate per hectare for each of the following classes of land in the defined Kaitiāia flood rating district as stated in the Awanui River Asset Management Plan:	\$10.84

The rating classifications and the rate charged are defined in the following map and table.



Class	Description	Rate per Ha <u>Including GST</u>
A1/A2	Maximum benefit; peat basins, low-lying reclaimed tidal areas and alluvial land at risk from frequent ponding and flooding:	\$22.79

B1/B2	High benefit land subject to floodwater flows but not ponding as floods recede:	\$17.02
C	Moderate benefit; land floods less frequently and water clears quickly:	\$12.00
E	Land in flood ways and ponding areas that receive no benefit and land in native bush that performs watershed protection function:	Nil
F	Contributes runoff waters and increases the need for flood protection:	\$0.92

k) Targeted Kaihū River Management Rate

A targeted rate set under the Local Government (Rating) Act 2002, and set differentially by location and area of benefit and defined in the Kaihū River Management Plan as follows:

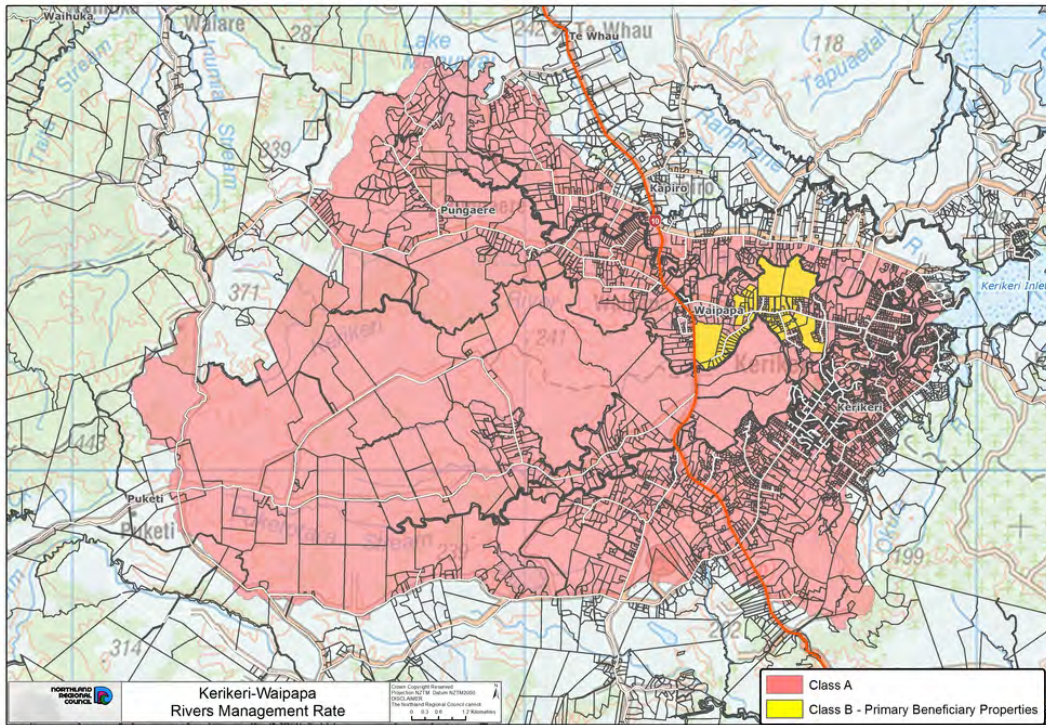
	<u>Including GST</u>
Class A - per hectare of land on the floodplain and side valleys downstream of Rotu Bottleneck:	\$25.62
Class B - per hectare of land on the floodplain and tributary side valleys between Ahikiwi and Rotu Bottleneck:	\$12.81
Catchment Rate – per hectare of land within the Kaihū River rating area not falling within Class A and Class B:	\$1.92
Urban Contribution – annual contribution from the Kaipara District Council instead of a separate rate per property:	\$5,694.00pa

l) Targeted Kerikeri-Waipapa Rivers Management Rate

A targeted rate set under the Local Government (Rating) Act 2002, differentiated by location and category (as defined in the map and table below) and set as a fixed amount per each separately used or inhabited part (SUIP) of a rating unit as follows:

Class	Description	<u>Including GST</u>
A	All properties within the Kerikeri-Waipapa Rivers catchment area (as defined in the map below) other than Class B properties	\$73.74 per SUIP
B	Primary beneficiary properties within the Kerikeri-Waipapa Rivers catchment area (as defined in the map below) that will receive the greatest direct benefit from flood risk reduction as a result of the spillway as a result of their location in relation to that Scheme	\$221.22 per SUIP

Rating units for the Targeted Kerikeri-Waipapa Rivers Management Rate:



m) Targeted Kaeo-Whangaroa Rivers Management Rate

A targeted rate set under the Local Government (Rating) Act 2002, set on a uniform basis in respect of each separately used or inhabited part of a rating unit falling within the former Whangaroa Ward rating rolls of 100-199, as follows:

	<u>Including GST</u>
Former Whangaroa Ward	\$72.19 per SUIP

n) Targeted Whāngārei Urban Rivers Management Rate

A targeted rate set under the Local Government (Rating) Act 2002, and differentiated by location (as defined in the maps and table below) and set as a fixed amount per separately used or inhabited part (SUIP) of a rating unit as follows:

	<u>Including GST</u>
Commercial properties located in the Whāngārei Central Business District flood area:	\$324.43 per SUIP
Residential properties located in the Whāngārei Central Business District flood area:	\$125.17 per SUIP
All properties located in the contributing water catchment area (including properties falling in the Waiarohia, Raumanga, Kirikiri and Hātea River Catchments):	\$41.88 per SUIP

Whāngārei Central Business District Flood area:



Contributing water catchments in Whāngārei Urban Rivers Management scheme:



Differential categories for the Whāngārei Urban Rivers Management Rate:

<p>Residential properties in the Whāngārei central business district</p>	<p>All rating units which are used principally for residential or lifestyle residential purposes, including retirement villages, flats etc. Residential properties also includes rural properties that are not otherwise categorised, multi-unit properties, these being all separate rating units used principally for residential purposes, and on which is situated multi-unit type residential accommodation that is used principally for temporary or permanent residential accommodation and for financial reward, including, but not limited to hotels, boarding houses, motels, tourist accommodation, residential clubs, hostels but excluding any properties that are licensed under the Sale and Supply of Alcohol Act 2012.</p>
<p>Commercial properties in the Whāngārei central business district</p>	<p>All separate rating units used principally for commercial, industrial or related purposes which are not categorised as rural in accordance with the district plan, or zoned for commercial, industrial or related purposes but not otherwise categorised. For the avoidance of doubt, this category includes properties licensed under the Sale and Supply of Alcohol Act 2012.</p>

3. Payment dates for rates, discount and additional charges

That the Northland Regional Council resolves the following:

Far North District Constituency:

All rates within the Far North District Council constituency are payable in four equal instalments, on the following dates:

Instalment	Due Date for payment
Instalment 1	22 August 2016
Instalment 2	21 November 2016
Instalment 3	20 February 2017
Instalment 4	22 May 2017

The Northland Regional Council resolves to add the following penalties to unpaid Far North District Council constituency rates.

- In accordance with section 58(1)(a) of the Local Government (Rating) Act 2002, a penalty of ten percent (10%) will be added to any portion of each instalment of Far North District Council constituency rates assessed in the 2016/17 financial year that is unpaid on or by the respective due date for payment as stated above. These penalties will be added on the following dates:

Instalment	Date Far North District Penalty added
Instalment 1	27 August 2016
Instalment 2	27 November 2016
Instalment 3	27 February 2017
Instalment 4	27 May 2017

Kaipara District Constituency:

All rates within the Kaipara District Council constituency are payable in four equal instalments, on the following dates:

Instalment	Due Date for payment
Instalment 1	20 August 2016
Instalment 2	20 November 2016
Instalment 3	20 February 2017
Instalment 4	20 May 2017

The Northland Regional Council resolves to add the following penalties to unpaid Kaipara District Council constituency rates.

- In accordance with section 58(1) (a) of the Local Government (Rating) Act 2002, a penalty of ten percent (10%) of the Kaipara District Council constituency rates assessed in the 2016/2017 financial year that are unpaid after the due date for each instalment will be added on the relevant penalty date for each instalment stated below, except where a ratepayer has entered into an arrangement by way of direct debit authority, or an automatic payment authority, and honours that arrangement. These penalties will be added on the following dates:

Instalment	Date Penalty will be added
Instalment 1	23 August 2016
Instalment 2	22 November 2016
Instalment 3	21 February 2017
Instalment 4	23 May 2017

- In accordance with section 58(1)(b) of the Local Government (Rating) Act 2002, a penalty of ten per cent (10%) of the amount of all Kaipara District Council constituency rates (including any penalties) from any previous financial years that are unpaid on 05 July 2016 will be added on 06 July 2016.
- In accordance with section 58(1)(c) of the Local Government (Rating) Act 2002, a penalty of ten per cent (10%) of the amount of all Kaipara District Council constituency rates to which a penalty has been added under the point immediately above and which are unpaid on 05 January 2017 will be added on 06 January 2017

Whāngārei District Constituency

All rates within the Whāngārei District Council constituency are payable in four equal instalments, on the following dates:

Instalment	Due Date for payment
Instalment 1	22 August 2016
Instalment 2	21 November 2016
Instalment 3	20 February 2017
Instalment 4	22 May 2017

The Northland Regional Council resolves to add the following penalties to unpaid Whāngārei District Council constituency rates.

- In accordance with section 58(1)(a) of the Local Government (Rating) Act 2002, a penalty of ten percent (10%) will be added to any portion of each instalment of Whāngārei District Council constituency rates assessed in the 2016/17 financial year that is unpaid on or by the respective due date for payment as stated above. These penalties will be added on the following dates:

Instalment	Date Penalty will be added
Instalment 1	25 August 2016
Instalment 2	24 November 2016
Instalment 3	23 February 2017
Instalment 4	25 May 2017

- In accordance with section 58(1)(b) of the Local Government (Rating) Act 2002, a penalty of ten per cent (10%) will be added to any Whāngārei District Council constituency rates (including any penalties) from any financial year prior to 1 July 2016 that still remain unpaid as at 5 July 2016. This penalty will be added on 2 September 2016.
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Background:

The Northland Regional Council is scheduled to adopt its 2016-17 Annual Plan at the Council meeting to be held on the 21 June 2016. Following the adoption of the 2016-17 Annual Plan all formal requirements to resolve the rates for the year ending 30 June 2017 are in place and permit the following resolution to proceed.

The rating information database was made available for public inspection during May 2016.

The full details of the rates calculations and rates collected from each constituent district of the Northland region will be as set out in the tables below:

Table One: Valuations by district (including equalised values)

	Projected number of rating units	Capital Value \$000's	Land Value \$000's	Equalised Capital value \$000's	Equalised Land Value \$000's	Equalised Capital Value %	Equalised Land Value %
Far North District	36,882	\$13,142,984	\$6,901,714	\$13,576,107	\$7,128,853	33.91%	34.97%
Kaipara District	14,408	\$6,806,928	\$3,682,531	\$7,238,219	\$3,892,561	18.08%	19.10%
Whangarei District	43,321	\$19,217,888	\$9,363,248	\$19,217,888	\$9,363,248	48.01%	45.93%
Total valuation - Northland	94,611	\$ 39,167,799	\$ 19,947,493	\$40,032,213	\$20,384,661	100.00%	100.00%

Table Two: Northland Regional Council Rates for the 2016/2017 financial year

* SUIP = Separately used or inhabited part of a rating unit

	Budgeted rates 2016-17 (Including GST)			Total \$ (gross)	Total \$ (net)
	Far North District	Kaipara District	Whāngārei District		
Targeted Council service rate					
Rates per SUIP	\$89.47			\$3,299,851	\$3,189,174
Rates per RU		\$126.06		\$1,816,314	\$1,700,336
Rates per SUIP			\$108.62	\$4,705,630	\$4,587,340
				\$9,821,796	\$9,476,850
Targeted Land management rate					
Rate per \$ of actual LV	\$0.0003875			\$2,674,594	\$2,646,618
Rate per \$ of actual LV		\$0.0003988		\$1,468,582	\$1,445,130
Rate per \$ of actual LV			\$0.0003761	\$3,521,658	\$3,476,147
				\$7,664,833	\$7,567,896
Targeted Regional recreational facilities					
Rates per SUIP	\$5.75			\$212,069	\$204,956
Rates per RU		\$5.75		\$82,846	\$77,556
Rates per SUIP			\$28.75	\$1,245,479	\$1,214,170
				\$1,540,393	\$1,496,682
Targeted Regional infrastructure rate					
Rate per \$ of actual LV	\$0.00003600			\$248,487	\$245,869
Rate per \$ of actual LV		\$0.00003711		\$136,650	\$134,252
Rate per \$ of actual LV			\$0.00003494	\$327,189	\$322,932
				\$712,325	\$703,053

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Targeted Emergency service rate				
Rates per SUIP	\$11.76		\$433,729	\$419,181
Rates per RU		\$11.76	\$169,439	\$158,620
Rates per SUIP		\$11.76	\$509,458	\$496,651
			\$1,112,625	\$1,074,452
Targeted Whāngārei transport rate				
Rates per SUIP		\$13.22	\$572,704	\$558,307
Targeted Whāngārei Heads pest management rate				
Rates per SUIP		\$50.00	\$108,200	\$106,450
Targeted Kaitāia transport rate				
Rates per SUIP (Kaitāia only)	\$15.69		\$95,661	\$93,872
Targeted Mid North transport rate				
Rates per SUIP			\$ 292,463	\$ 286,190
Targeted Awanui river management rate				
Far North District - Rural			\$187,857	\$186,603
Far North District - Urban			\$496,379	\$496,382
			\$684,236	\$682,985
Targeted Kaihū river management rate				
Kaipara			\$90,670	\$90,670
Targeted Kaeo-Whangaroa rivers management rate				
Far North (Kaeo only)	\$72.19		\$168,022	\$159,828
Targeted Kerikeri-Waipapa rivers management rate				
Far North (Kerikeri-Waipapa only)			\$366,665	\$361,060
Targeted Whāngārei urban rivers management rate				
Rates per SUIP			\$1,081,811	\$1,074,274
TOTAL RATES (including GST)				
Far North District			\$8,475,775	\$8,289,735
Kaipara District			\$3,764,500	\$3,606,564
Whāngārei District			\$12,072,128	\$11,836,271
TOTAL			\$24,312,402	\$23,732,570